

HOUSE JOINT RESOLUTION 1232
By Bowers

A RESOLUTION to urge the Tennessee Housing Development Agency to award more points and a greater priority in THDA's Low Income Housing Tax Credit Qualified Allocation Plan for developer applicants implementing an eventual tenant home ownership plan for single family homes.

WHEREAS, the Tennessee Housing Development Agency (THDA) funds nearly 100 million dollars (\$100,000,000.00) worth of affordable rental developments per year through the Federal Low Income Housing Tax Credit Program that must be affordable rentals for a minimum of 15 years by federal statute; and

WHEREAS, this is a competitive program in which the highest scoring developments receive funding, and Section 42 of the U.S. Code encourages state housing agencies to give scoring preference to developments that encourage eventual tenant home ownership; and

WHEREAS, THDA program rules presently give five points to applicants that build single family homes and propose giving the tenants first right of refusal to purchase their unit at the end of 15 years, and help renters save money for down payment and closing costs to purchase their unit, but offer 20 points for applicants that pledge to keep the unit as rental for an additional five years; and

WHEREAS, these rules discourage eventual tenant home ownership, and discourage developers from choosing this option because they are less likely to receive funding; no projects have been funded to date using the lease to own concept; and

WHEREAS, Tennessee's low to moderate income communities and families will be better served by THDA helping these renters to build equity, savings and economic stability through promoting tenant home ownership and lease to own programs; many of these families are not able to buy such homes through traditional means, and are plagued by predatory lending in the sub-prime lending market; now, therefore,

BE IT RESOLVED BY THE HOUSE OF REPRESENTATIVES OF THE ONE HUNDRED THIRD GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE SENATE CONCURRING, that the Tennessee General Assembly urges the Board of Directors and staff of the Tennessee Housing Development Agency to give more points and greater priority in THDA's Low Income Housing Tax Credit Qualified Allocation Plan and rules to developer applicants who choose to implement an eventual tenant home ownership plan for single family homes, than to developer applicants who choose to keep their units as rental after the mandatory 15-year affordable rental period.

BE IT FURTHER RESOLVED, that a copy of this resolution be sent to each member of the Board of Directors and to the Executive Director of the Tennessee Housing Development Agency.